Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 02/16/07 Time: 11:41

Case ID: 194B-CG-126989 Serial: 1

Description of Document:

Type : EC
Date : 02/09/07
To : CHICAGO
From : CHICAGO
Topic: REQUEST FULL FIELD INVESTIGATION

Reason for Permanent Charge-Out:

entered in error

Employee: [redacted]

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(Rev. 01-31-2003)

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# FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE **Date:** 02/09/2007

**To:** Chicago ✓

**From:** Chicago
Squad WC-3
**Contact:** SA [redacted] 312-829-[redacted]

**Approved By:** [redacted]

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**Drafted By:** [redacted] S:jsr

**Case ID #:** 194B-CG-NEW -2 194B-CG-126989

**Title:** [redacted]
ORLANDO G. JONES;
ET AL;
CSLPO - LOCAL LEVEL

**Synopsis:** Request full investigation be opened as captioned above.

**Details:** Based on the following information, it is recommended that a full investigation be opened and assigned as captioned above.

On January 16, 2007, the Las Vegas Metropolitan Police Department (LVMPD) executed a search warrant on the University Medical Center (UMC) Hospital in Clark County, Nevada. Specifically, LVMPD is investigating UMC's [redacted] and [redacted] in connection with UMC "professional service" contracts.

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[redacted] is the former Director of [redacted] in Chicago. [redacted] left [redacted] to accept his position at UMC in [redacted] Thereafter, both [redacted] and [redacted] left executive positions at [redacted] COO and Director of Operations, respectively) to join [redacted] at UMC.

Before leaving Cook County's employ, ORLANDO G. JONES (JONES) was Chief of Staff to former Cook County Board President JOHN STROGER. Prior to that, JONES held numerous other positions within the County, including Chief Executive Officer of the County's Provident Hospital. JONES has been closely linked to

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the subjects of two current Chicago public corruption cases, [redacted] (UCFN 194A-CG-121466) and [redacted] (UCFN 194B-CG-124638). Source reporting has indicated that JONES continues to exert great influence over County business, including directing the award of contracts to favored companies.

Six of the seven suspect "professional service" contracts and contractors identified by LVMPD have ties to Chicago and Cook County. Those contractors, and related allegations, include the following:

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**ACS** was contracted to manage UMC's revenue-generating functions. [redacted] allegedly drafted and pushed through UMC's contract with ACS after ACS sales representative [redacted] flew [redacted] to the Virgin Islands. [redacted] has been a vendor to Cook County for over a decade. UMC Hospital officials allegedly warned [redacted] that ACS would be getting paid for doing nothing and in fact, ACS did receive $1 million even though UMC revenues declined. ACS currently has multi-million dollar contracts with Cook County, including an accepted contract to manage Stroger Hospital's revenue-generating functions. Chicago Sources have indicated that the award of this contract to ACS was "shady" and occurred at the behest of JONES;

[redacted] was contracted for approximately $144,000 to increase UMC's state Medicaid approvals and review patient accounting, billing, and collections, but allegedly failed to deliver any work product. Chicago has since identified [redacted] as a former Stroger Hospital employee who participated with [redacted] in a 2001 hospital consulting project in the Virgin Islands. Chicago has determined that the business address listed for [redacted] is [redacted] single-family residence in Olympia Fields, Illinois;

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**FRASIER SYSTEMS GROUP, INC. (FRASIER)** was contracted for over $600,000 to speed up UMC's business office, evaluate UMC's information technology, and train UMC staff, but also allegedly failed to deliver a completed work product. Chicago has since identified [redacted] as a former consultant with THE FOSTER GROUP, which has had multi-million consulting contracts with Cook County and Stroger Hospital. Chicago determined that the business address listed for [redacted] is a single-family residence in

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Evanston, Illinois, apparently owned by a relative of [redacted] b6 b7C

**CRYSTAL COMMUNICATIONS TECHNOLOGIES CORP. (CRYSTAL)** was contracted for approximately $132,000 to improve UMC's telecommunications, but allegedly failed to deliver work product. Chicago has since identified CRYSTAL as a Cook County minority business enterprise (MBE) contractor. Chicago has determined that CRYSTAL's business office is shared with other businesses associated with JONES;

**RISK MANAGEMENT SOLUTIONS OF AMERICA, INC. (RMSA)** was contracted for $24,000 to evaluate UMC's workers' compensation program, but allegedly failed to deliver a completed work product. Chicago has since identified RMSA as a Cook County MBE contractor. Based on Chicago's physical surveillance, the downtown Chicago business address listed for RMSA is fictitious; and

**GREAT LAKES MEDICAID, INC. (GREAT LAKES)** was contracted to enhance UMC's Medicaid eligibility process. GREAT LAKES currently has multi-million contracts with Cook County. Chicago has learned that DEA Chicago is investigating [redacted] b6 b7C

On January 18, 2007, Chicago agents traveled to Las Vegas to meet with FBI Las Vegas and LVMPD, and review evidence seized during the search at UMC. FBI Las Vegas has decided not to open a federal case, but will assist LVMPD as needed. FBI Las Vegas is aware of the ties to Chicago/Cook County and FBI Chicago's interest in LVMPD's investigation.

Chicago has subsequently developed a Source who identified [redacted] who obtained [redacted] contracts with Cook County. According to the Source, [redacted] is politically connected with ORLANDO JONES (JONES). [redacted] b6 b7C b7D

According to the Source's contact in the 8th Ward [redacted] and all of the Chicago area consulting companies he hired in Las Vegas are "8th Ward guys". The Source's contact told him [redacted] would not have done anything in Las Vegas without JONES' direction and involvement. The Source's contact also told him [redacted] doesn't do anything without JONES.

[redacted] subsequently came in to LVMPD with his attorney to be interviewed on February 1, and then again on February 6, 2007. According to LVMPD, [redacted] was questioned about a trip to Aruba, among other things. [redacted] claimed to have traveled to Aruba with his wife on a personal vacation which they paid for themselves. LVMPD advised Chicago they have evidence that JONES paid for [redacted] flight to Aruba. Based on travel records previously obtained by Chicago, it appears that JONES was in Aruba while [redacted] was there.

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**Subjects and Potential Subjects**

Name: [redacted]
Race: Black
Sex: Male
DOB: [redacted]
SSAN: [redacted]

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Name: ORLANDO G. JONES
Race: Black
Sex: Male
DOB: 06/06/1955
SSAN: 361-48-3766
Address: 5 E. 84th Place, #905
Chicago, IL 60605

Name: [redacted]
Race: Black
Sex: Male
DOB: [redacted]
SSAN: [redacted]

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Name: [redacted]
Race: Black
Sex: Male
DOB: [redacted]
SSAN: [redacted]

Name: [redacted]
Race: ~~Black~~
Sex: ~~Male~~
DOB: [redacted]
SSAN: [redacted]
Address: [redacted]
Olympia Fields, IL 60461
DBA: [redacted] CONSULTING

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Name: [redacted]
Race: ~~Black~~
Sex: ~~Male~~
DOB: [redacted]
SSAN: [redacted]
Address: [redacted]
Evanston, IL 60201
DBA: FRASIER SYSTEMS GROUP, INC.

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Name: [redacted]
Race: ~~Black~~
Sex: ~~Male~~
DOB: [redacted]
SSAN: [redacted]
Address: [redacted]
Chicago, IL 60643
DBA: CRYSTAL COMMUNICATIONS TECHNOLOGIES CORP.

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Name: [redacted]
Race: Black
Sex: ~~Male~~
DOB: [redacted]
SSAN: [redacted]
Address: [redacted]
Skokie, IL 60076
DBA: RISK MANAGEMENT SOLUTIONS OF AMERICA, INC.

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Name:
Race: White
Sex: Male
DOB:
SSAN:
Address:
Hinsdale, IL 60521
Business: GREAT LAKES MEDICAID, INC.

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Name:
Race: White
Sex: Male
DOB:
SSAN:
Address:
Chicago, IL 60614
Business: GREAT LAKES MEDICAID, INC.

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**AUSA Opinion**

On February 6, 2007, Assistant United States Attorney (AUSA) was briefed on the above information. AUSA opined that the captioned case could be prosecuted as a Mail Fraud if additional evidence can be developed.

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**Initial Investigative Strategy**

Initial investigative strategy includes:

(1) Obtaining financial records of the Chicago area consulting companies to identify possible kickbacks to and business/contracts with Cook County;

(2) Researching the Cook County contracts secured by the Chicago area consulting companies;

(3) Interviewing in regarding his participation with and in hospital consulting project in the Virgin Islands; and

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(4) Conducting joint interviews of the Chicago area consulting companies with LVMPD.

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SEARCH WARRANT

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STATE OF NEVADA )
COUNTY OF CLARK ) ss: [redacted] Crystal Communications, Taylor Consulting Services, Great Lakes Medicaid, Inc., Frasier Sytems Group Inc., ACS Consultant Company Inc., Superior Consultant Company Inc., Risk Management Solutions Inc., and TBL Construction.

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The State of Nevada, to any Peace Officer in the County of Clark. Proof by Affidavit having been made before me by Detectiv[redacted] said Affidavit attached hereto and incorporated herein by reference, that there is probable cause to believe that certain property, namely:

**A. Any and all documents and records pertaining to Crystal Communications, Taylor Consulting Services, Great Lakes Medicaid, Inc., Frasier Sytems Group Inc., ACS Consultant Company Inc., Superior Consultant Company Inc., Risk Management Solutions Inc., and TBL Construction, as well as any other businesses or individuals associated with the Hospital Industry which may contain or reveal the identity of principals, representatives or accomplices of the persons involved in the illegal activities described within the attached affidavit, or which may contain or reveal evidence that proves the illegal activities described within the attached affidavit, specifically including, but not limited to, the following:**

1. **Business mailbox information, financial records, bank information, account numbers, business contracts, agenda items;**
2. **Customer lists, invoices, work orders, change orders, receipts, vouchers, lead sheets, including current and prospective customers;**

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3. Solicitation materials, resumes, including current and prospective customers as well as current and prior employee's;

4. Bank records, routing slips, direct deposit information, wire transfers, stocks, trust fund deposits and or withdrawals, including banking statements, deposits, checks;

5. Any U.S. currency or other monetary instruments that are proceeds of the crime;

6. Any and all documents and records, to include information stored in computers more specifically described in items one (1) through six (6) which may contain or reveal the existence and/or location of bank accounts, other assets of the persons responsible for, or profiting from the illegal activities described within the attached Affidavit; and

7. Tape recordings, notes, correspondence, representative and customer data base, computers and disks, facsimile messages, or any similar data compilation.

8. Electronic Storage Devices & Hardware

Electronic storage devices consist of all equipment which can collect, analyze, create, display, convert, store, conceal, or transmit electronic, magnetic, optical, or similar transmission, reception, collection and storage of data. Electronic storage device includes (but is not limited to) any wireless/cellular telephone, cordless telephone, pager, fax machine, digital camera, audio recorder, video recorder and any data-processing device e.g. central processing units, memory typewriters, self- contained

"laptop", "notebook", "mini-notebook", or "personal data assistant" computers.
Internal and external storage devices e.g. fixed disks (hard drives), memory cards, floppy disk, LS-120, zip drive, jaz drive, Orb drive, CD drive, DVD drive, diskettes, tape drives, optical storage devices, transistor-like binary devices, and other memory storage devices including the storage media used in the devices.

Peripheral input/output device e.g. as keyboards, printers, scanners, plotters, video display monitors, optical readers.

Related communication devices e.g. modems, cables and connections, recording equipment, RAM or ROM units, acoustic couplers, automatic dialers, speed dialers, programmable telephone dialing or signaling devices, and electronic tone-generating devices. Any device, mechanism, or parts that can be used to restrict access to electronic storage devices e.g. physical keys and locks bio metric readers, retinal scanners, facial recognition, signature verification, smart card or voice authentication.

**Software**
Computer/Equipment software (digital information) can be interpreted by electronic storage device equipment, computers and any of its related components to direct the way they work. Software is stored in electronic, magnetic, optical or other digital form. It commonly includes programs to run operating systems, applications (like word-processing, graphics, or spreadsheet programs), utilities, compilers, interpreters, and communication programs.

**Documentation**
Electronic storage device documentation consists of written, recorded, printed, or electronically stored material that explains or illustrates how to configure or use electronic storage device hardware, software, or other related items.

**Passwords and Data Security Devices**
Electronic storage device passwords and other data security devices are designed to restrict access to or hide software, documentation, or data. Data security devices may consist of hardware, software, or other programming code.

A password (a string of alphanumeric characters) usually operates as a sort of digital key to "unlock" particular data security devices.
Data security hardware may include encryption devices, chips, dongles, biometric readers, retina scanners, facial recognition systems, voice authentication systems, hand writing authentication systems and circuit boards.
Data security software or digital code may include programming code that creates "test" keys or "hot" keys, which perform certain pre-set security functions when touched. Data security software or code may also encrypt; compress, hide, or "booby-trap" protected data to make it inaccessible or unusable, as well as reverse the process to restore it.

**Authority to Duplicate Electronic Media**
It is further requested that a forensic technician, sworn or non-sworn, be granted authorization to examine; make duplicate images/copies of the above-mentioned electronic media and to determine if evidence of the offenses enumerated above are contained therein.
Therefore authorization is requested to make images/copies of the requested data. Evidence copies of the items relating to these offenses will be created and retained for further proceedings and made available to the authorities.
Only those items recovered under the Search Warrant and relating to the offenses will be retained. The master copy will be retained in evidence storage for later discovery and trial purposes.

**Request for Off-Site Search Authorization**
For the following reasons, the execution of this warrant may take a great deal of time and require a secure facility, special equipment, and software:

a) It is unknown what operating system is running the computer(s) that is subject of this warrant and, therefore, it will take time to determine how the operating system permits access to data.

b) The amount of data that may be stored in the hard drives and removable storage devices is enormous, and the number or size of the hard drives and removable storage devices that will have to be searched pursuant to this warrant is not known.

c) The data to be seized may be located anywhere on the hard drives and removable storage devices, including hidden files, program files, and "deleted" files that have not been overwritten.

d) The data may be encrypted, or inaccessible without a password, and may be protected by self-destruct programming, all of which take time to bypass.

e) Because data stored on a computer can be destroyed or altered rather easily, either intentionally or accidentally, the search must be conducted carefully and in a secure environment.

f) To prevent alteration of data and insure the integrity of the search, clones (master copies) of all data storage devices will be made. The clones (master copies) will then be searched and this process will take time and special equipment.

Furthermore, a lengthy on-site search may pose a severe hardship on all people who [live][work] on the premises. It would also require the presence of law enforcement officers to secure the premises while the search is being conducted, thus depleting law enforcement resources in the community.

It is therefore requested that authorization be given to remove all electronic storage devices and storage media that are found on the premises to an off-site location, with the necessary resources and equipment to conduct the search safely and efficiently. It is further requested that authorization be given to search for and seize all peripheral devices that appear to be reasonably necessary to access data stored in the electronic storage devices and storage media.

**Authority to Record Scene/Evidence**

The granting of this Search Warrant shall specifically authorize the officers to photograph and/or video tape the location being searched to preserve the image of the scene, the location of property, and to identify any inhabitants or persons present or arriving at the property during the search. Investigative personnel, sworn or non-sworn are authorized to assist in the search in order identify, document and collect evidence, provided their participation is supervised by a sworn officer.

9. Articles of personal property which would tend to establish the identity of persons in control of said premises, which items of property would consist in part of and include, but not limited to papers, documents and effects which tend to show possession, dominion and control over said premises, including but not limited to keys, canceled mail envelopes,

rental agreements and receipts, utility and telephone bills, prescription bottles, vehicle registration, vehicle repairs and gas receipts, whether such items are written, typed or stored electronically.

is presently located at **1800 West Charleston Blvd, Las Vegas, Nevada, University Medical Center of Southern Nevada (UMC). The public hospital located on the north side of Charleston Blvd, between Shadow Lane and Tonopah Drive. Specifically offices of the following individuals:** [redacted] **The office's of general accounting along with any and all offices associated with Crystal Communications, Taylor Consulting Services, Great Lakes Medicaid, Inc., Frasier Sytems Group Inc., ACS Consultant Company Inc., Superior Consultant Company Inc., Risk Management Solutions Inc., and TBL Construction.**

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And as I am satisfied that there is probable cause to believe that said property is located as set forth above and that based upon the affidavit attached hereto there are sufficient grounds for the issuance of the Search Warrant.

You are hereby commanded to search forthwith said premises for said property, serving this warrant between 7 a.m. and 7 p.m.,and if the property is there to seize it, prepare a written inventory of the property seized, and make a return for me within ten days.

Dated this 12th day of January, 2007.

Jessie Walsh
JUDGE

LAS VEGAS METROPOLITAN POLICE DEPARTMENT
# APPLICATION AND AFFIDAVIT FOR SEARCH WARRANT

STATE OF NEVADA )
COUNTY OF CLARK ) ss: [redacted] Crystal Communications, Taylor's Consulting Services, Great Lakes Medicaid, Inc., Frasier Sytems Group Inc., ACS Consultant Company Inc., Superior Consultant Company Inc., Risk Management Solutions Inc., and TBL Construction.

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[redacted] being first duly sworn, deposes and says that he is the Affiant herein and is a Detective with the Las Vegas Metropolitan Police Department (LVMPD) presently assigned to the Criminal Intelligence Section, part of the Homeland Security Bureau. That he has been employed with the LVMPD for the past 11 years and has been assigned to the Criminal Intelligence Section part of the Homeland Security Bureau for the past 3 years. That he is a graduate of the LVMPD Law Enforcement Training Academy, Academy Class 96-02. He completed over 800 hours of Nevada Post training. He also completed 24 hours of a course entitled Financial Investigative Techniques where he learned investigative skills pertaining to forgery, fraud, and financial crimes. He has also attended a 40 hour course entitled Financial Manipulation Analysis, where he learned the many different avenues that criminals use in an attempt to shelter the gains from illicit activity. He has assisted in the preparation and execution of over 50 search warrants. These assertions are true and accurate to the best of your affiants' knowledge.

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There is probable cause to believe that certain property hereinafter described will be found at the following described premises, to-wit: **1800 West Charleston Blvd, Las Vegas, Nevada, University Medical Center of Southern Nevada (UMC). The public hospital located on the north side of Charleston Blvd, between Shadow Lane and Tonopah Drive. Specifically**

offices of the following individuals: [redacted] b6 b7C

[redacted]

[redacted]

The property referred to and sought to be seized consists of the following:

A. Any and all documents and records pertaining to Crystal Communications, Taylor Consulting Services, Great Lakes Medicaid, Inc., Frasier Sytems Group Inc., ACS Consultant Company Inc., Superior Consultant Company Inc., Risk Management Solutions Inc., and TBL Construction, specifically including, but not limited to, the following:

1. Business mailbox information, financial records, bank information, account numbers, business contracts, agenda items;

2. Customer lists, invoices, work orders, change orders, receipts, vouchers, lead sheets, including current and prospective customers;

3. Solicitation materials, resumes, including current and prospective customers as well as current and prior employee's;

4. Bank records, routing slips, direct deposit information, wire transfers, stocks, trust fund deposits and or withdrawals, including banking statements, deposits, checks;

5. Any and all documents and records, to include information stored in computers more specifically described in items one (1) through six (6) which may contain or reveal the existence and/or location of bank accounts, other assets of the persons responsible for, or profiting from the illegal activities described within the attached Affidavit; and

6. Tape recordings, notes, correspondence, representative and customer data base, computers and disks, facsimile messages, or any similar data compilation.

7. Electronic Storage Devices & Hardware

Electronic storage devices consist of all equipment which can collect, analyze, create, display, convert, store, conceal, or transmit electronic, magnetic, optical, or similar transmission, reception, collection and storage of data. Electronic storage device includes (but is not limited to) any wireless/cellular telephone, cordless telephone, pager, fax machine, digital camera, audio recorder, video recorder and any data-processing device e.g. central processing units, memory typewriters, self- contained "laptop", "notebook", "mini-notebook", or "personal data assistant" computers.

Internal and external storage devices e.g. fixed disks (hard drives), memory cards, floppy disk, LS-120, zip drive, jaz drive, Orb drive, CD drive, DVD drive, diskettes, tape drives, optical storage devices, transistor-like binary devices, and other memory storage devices including the storage media used in the devices.
Peripheral input/output device e.g. as keyboards, printers, scanners, plotters, video display monitors, optical readers.

Related communication devices e.g. modems, cables and connections, recording equipment, RAM or ROM units, acoustic couplers, automatic dialers, speed dialers, programmable telephone dialing or signaling devices, and electronic tone-generating devices. Any device, mechanism, or parts that can be used to restrict access to electronic storage devices e.g. physical keys and locks bio metric readers, retinal scanners, facial recognition, signature verification, smart card or voice authentication.

Software
Computer/Equipment software (digital information) can be interpreted by electronic storage device equipment, computers and any of its related components to direct the way they work. Software is stored in electronic, magnetic, optical or other digital form. It commonly includes programs to run operating systems, applications (like word-processing, graphics, or spreadsheet programs), utilities, compilers, interpreters, and communication programs.

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Data security hardware may include encryption devices, chips, dongles, biometric readers, retina scanners, facial recognition systems, voice authentication systems, hand writing authentication systems and circuit boards.

Data security software or digital code may include programming code that creates "test" keys or "hot" keys, which perform certain pre-set security functions when touched. Data security software or code may also encrypt; compress, hide, or "booby-trap" protected data to make it inaccessible or unusable, as well as reverse the process to restore it.

Authority to Duplicate Electronic Media

It is further requested that a forensic technician, sworn or non-sworn, be granted authorization to examine; make duplicate images/copies of the above-mentioned electronic media and to determine if evidence of the offenses enumerated above are contained therein.

Therefore authorization is requested to make images/copies of the requested data. Evidence copies of the items relating to these offenses will be created and retained for further proceedings and made available to the authorities.

Only those items recovered under the Search Warrant and relating to the offenses will be retained. The master copy will be retained in evidence storage for later discovery and trial purposes.

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For the following reasons, the execution of this warrant may take a great deal of time and require a secure facility, special equipment, and software:

a) It is unknown what operating system is running the computer(s) that is subject of this warrant and, therefore, it will take time to determine how the operating system permits access to data.

b) The amount of data that may be stored in the hard drives and removable storage devices is enormous, and the number or size of the hard drives and removable storage devices that will have to be searched pursuant to this warrant is not known.

c) The data to be seized may be located anywhere on the hard drives and removable storage devices, including hidden files, program files, and "deleted" files that have not been overwritten.

d) The data may be encrypted, or inaccessible without a password, and may be protected by self-destruct programming, all of which take time to bypass.

e) Because data stored on a computer can be destroyed or altered rather easily, either intentionally or accidentally, the search must be conducted carefully and in a secure environment.

f) To prevent alteration of data and insure the integrity of the search, clones (master copies) of all data storage devices will be made. The clones (master copies) will then be searched and this process will take time and special equipment.

Furthermore, a lengthy on-site search may pose a severe hardship on all people who [live][work] on the premises. It would also require the presence of law enforcement officers to secure the premises while the search is being conducted, thus depleting law enforcement resources in the community.

It is therefore requested that authorization be given to remove all electronic storage devices and storage media that are found on the premises to an off-site location, with the necessary resources and equipment to conduct the search safely and efficiently. It is further requested that authorization be given to search for and seize all peripheral

**devices that appear to be reasonably necessary to access data stored in the electronic storage devices and storage media.**

**Authority to Record Scene/Evidence**

**The granting of this Search Warrant shall specifically authorize the officers to photograph and/or video tape the location being searched to preserve the image of the scene, the location of property, and to identify any inhabitants or persons present or arriving at the property during the search. Investigative personnel, sworn or non-sworn are authorized to assist in the search in order identify, document and collect evidence, provided their participation is supervised by a sworn officer.**

**8. Articles of personal property which would tend to establish the identity of persons in control of said premises; which items of property would consist in part of and include, but not limited to papers, documents and effects which tend to show possession, dominion and control over said premises, including but not limited to keys, canceled mail envelopes, rental agreements and receipts, utility and telephone bills, prescription bottles, vehicle registration, vehicle repairs and gas receipts, whether such items are written, typed or stored electronically.**

The property hereinbefore described constitutes evidence which tends to demonstrate that the criminal offense of **Fraudulent Appropriation of Property, NRS 197.210, Theft, NRS 205.0832, and Misconduct of Public Official, NRS 197.110** has been committed.

In support of your Affiant's assertion to constitute the existence of probable cause, the following facts are offered:

On November 20th, 2006, District Attorney, David Roger, contacted your Affiant to investigate allegations of criminal activity occurring at University Medical Center. D/A Roger explained that the results of a recent internal Clark County Audit had raised some concerns in regards to the current administrators of the University Medical Center of Southern Nevada, (UMC). One of the concerns was that the current contract, negotiated by UMC administrators, between UMC and ACS Consultants Company Inc,(ACS) was extremely detrimental to the County. Additionally it was reported that there were numerous companies that the UMC administrators were providing "professional service" contracts to, while foregoing the established County bid process. It was alleged that the principals of these companies all had close, personal relationships to the UMC administrators and this relationship was the basis of them being awarded these bids rather than merit. In addition, it was also alleged that many of these companies performed no actual work other than "consulting" and that this was a means to get friends/family financial kickbacks at the County's expense. Of further concern was the UMC Administrator's inability to produce any type of financial statement from there accounting

office in order to keep the Board of County Commisioner's, (BCC)appraised of the financial status of UMC. D/A Roger had indicated that over 6 months ago, the BCC had requested UMC to produce completed monthly financial reports. As of the meeting with D/A Roger, no reports had been produced.

The University Medical Center is a County Hospital organized under the laws of NRS Chapter 450. An inter-local agreement was entered between UMC and the Board of County Commissioners, (BCC) on November 5th, 2002, which in effect, consolidated supervisory and fiscal functions of UMC under the County Manager. According to D/A Mary Ann Miller the arrangement is as follows:

*"Pursuant to NRS 450.090(1), the Clark County Board of Commissioners is the ex officio Board of Hospital Trustees. In the past, the Board of County Commissioners treated the Hospital as a somewhat independent entity from the County, although much of the Hospital's funding came from the County. The Commissioners held Board of Hospital Trustees (BHT) meetings separately from the regular Board of County Commissioner meetings. Beginning in January, 2003, the Board of County Commissioners (BCC) consolidated their BHT meetings with their regular County Commission meetings, and delegated supervisory authority over the hospital to the County Manager. The Manager was to supervise the Hospital functions in the same manner that the Manager supervises traditional county departments."*

Therefore the County Manager has the authority to select an individual to head this department, Chief Executive Officer (CEO); however this appointment would require a ratified vote by the Board of County Commissioners (BCC), acting in their capacity as Board of Hospital Trustees (BHT), appointing the selected individual as department head, (CEO). Subsequently, the CEO is considered an appointed public official due to this process.

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On November 18th, 2003, the Board of County Commissioners ratified the appointment of [redacted] of University Medical Center. [redacted] was one of four finalists that completed the hiring process originated by then County Manager, [redacted] At the time of the initial job offer [redacted] was employed with [redacted] Chicago, Illinois, as the [redacted] and had held this position from [redacted] Prior to that [redacted] was the [redacted] Chicago, from [redacted] is a long time Chicago native and attended College in Chicago as well, graduating from Chicago State University in [redacted]

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In an attempt to corroborate the information provided by D/A Roger, your Affiant interviewed [redacted] told your Affiant that he had completed an internal audit on September 15th, 2006 at the request of County Management, a copy is attached and incorporated by reference as exhibit #1. [redacted] said that he had 4 primary objectives which were, 1) review the contract between UMC and

ACS Consulting, including any amendments, and determine which contract deliverables and organizational improvements ACS has implemented, 2) Analyze the contracted payment terms and determine if they are appropriate with regard to such deliverables, 3) Determine whether revenue or cash collections have increased since ACS began managing the revenue cycle at UMC and 4) Evaluate any changes in expenditures during the same time period.

Your Affiant learned that ACS Consulting Inc, dba Superior Consulting, was hired to perform revenue cycle outsourcing for UMC. Revenue cycle outsourcing is essentially turning over control of the accounts receivable process from the first instance a customer comes into contact with the system. According to the terms of the initial "professional services" contract, ACS is to provide a Revenue Cycle Improvement team to implement changes to UMC's revenue cycle. A typical team consists of three Business Office Resources, one Admitting Director, one HIM Director and one Process Engineer. These individuals augmented UMC's current accounts receivable department to help increase the revenue cycle income.

Several areas of improvement were noted by [redacted] at the conclusion of his audit. First and foremost, [redacted] indicated that the contract is not favorable to UMC due to the fact that no termination clause existed. Simply put, the County had no means available to get rid of ACS's services. Secondly, a "baseline" or benchmark number was agreed upon that paid ACS over $1 million dollars for collecting less money than the previous year, without them doing any work. Another sub-contractor, Great Lakes Medicaid, was involved with assisting UMC with cash flow problems related to out of state Medicaid, the work they were conducting was somehow included in the ACS "baseline", allowing them to meet or exceed the "baseline" for several months. According to Caroll, the Clark County Social Services fund was also being used by ACS as well to help them meet or exceed the "baseline". b6 b7C

According to [redacted] even after the completion of the first year, where it was shown that "the best practices" of ACS did not result in increased cash postings for UMC, the contract still had a few changes made to it, again more favorable to ACS than UMC. The "baseline" was in fact lowered by $1.5 million dollars, making it easier for ACS to meet their goal. Quarterly billing cycles were mandated to adjust for monthly "spikes", which could potentially decrease ACS's ability to make money. Additionally, it was agreed that ACS was to receive a $25,000 per month flat fee for managing accounts, regardless of whether or not they met the "baseline" and that they would not drop their 25% commission to 15% until they had collected a total of $70 million dollars over the baseline instead of $50 million dollars. When asked how such a detrimental contract could be pushed through, not once but two times, [redacted] indicated that to his knowledge, the ACS contract was pushed through directly by [redacted] and he then provided the names of former executive staff personnel that had worked at the Hospital during the time of the contract. [redacted] said that [redacted] and [redacted] b6 b7C

[redacted] would have some knowledge to share reference specifics to the contract.

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The below listed individuals were interviewed by your Affiant to corroborate the information provided by [redacted]

[redacted]

Your Affiant interviewed [redacted] in regards to his tenure at UMC. [redacted] indicated that he was the [redacted] for UMC [redacted] He was operating in this capacity when [redacted] was hired in the [redacted] and continued to do so until [redacted] indicated that as [redacted] was responsible for [redacted] the hospital [redacted] along with [redacted] which often would include the competitive bid process of outside vendors. [redacted] said that on several occasions, [redacted] completely [redacted] awarding "professional service" contracts to businesses of his friends from the Chicago area. [redacted] felt that this activity was unethical and detrimental to UMC and subsequently resigned due to the continuation of this type of activity. He cited several examples of this activity to your affaint and they are as follows:

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1) Superior Consulting - [redacted] said that [redacted] was good friends with [redacted] and was even flown to St. Thomas, Virgin Islands by [redacted] in early 2005, to observe revenue cycle outsourcing that his company was performing at the St. Thomas Hospital. Upon [redacted] return, a "professional service" contract was drafted by [redacted] giving ACS Consultant Inc, dba Superior Consulting the revenue cycle outsourcing contract. [redacted] indicated that he and [redacted] told [redacted] numerous times that the contract was not in the best interests of UMC and that due to the wording in the contract, Superior would receive money for basically doing nothing. [redacted] ignored his objections.

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2) Frasier Systems Group - [redacted] indicated that [redacted] was good friends and a former fraternity brother of [redacted] also indicated that [redacted] Systems was based out of Chicago, Illinois. According to [redacted] his understanding as explained to him by [redacted] was that Frasier Systems was awarded a "professional service" contract and they were tasked to do an evaluation on how to speed up the business office at UMC. [redacted] indicated that he briefly observed [redacted] at UMC over a several day period, however he never viewed a completed work product as a result of this company's "professional services" contract, nor did he see an increase in the business offices performance.

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3) Taylor Consulting - [redacted] indicated that [redacted] was good friends with [redacted] and that the business was from the Chicago area as well. Taylor Consulting was also awarded a "professional service" contract from [redacted] and they were to

come in and give an evaluation on how to increase the number of out of state medicaid approvals. As with the other companies, [redacted] said that he never received a completed work product as a result of it's "professional services" contract.

4) Crystal Communications - [redacted] said that he could not remember the name of the individual that [redacted] awarded the "professional service" contract to, but he did remember that he was from the Chicago area as well. Crystal Communications was to come in and evaluate the existing telephone system. As with the other companies, [redacted] said that he never received a completed work product as a result of it's "professional services" contract. b6 b7C

5) Great Lakes Medicaid - [redacted] said that he could not remember the name of the individual that [redacted] awarded the "professional service" contract to, but he did remember that he was a former fraternity brother of [redacted] and he was from the Chicago area as well. [redacted] said that Great Lakes Medicaid was awarded the "professional service" contract from [redacted] to come in and help enhance the medicaid eligibility process. [redacted] felt that there existed a bit of redundancy in this "professional service" contract as UMC already had personnel staffed and trained completing this work. b6 b7C

6) [redacted] indicated that [redacted] had created a brand new position for [redacted] who was [redacted] John Stroger Hospital, Chicago, Illinois. [redacted] said that the position [redacted] created for [redacted] was an unnecessary cost to UMC primarily because it was not needed. [redacted] could not remember the exact name of the position awarded to [redacted] but knew that he was in charge of [redacted] and [redacted] attended many of the [redacted] and was fully aware of the ACS contract as well as the Chicago based vendors "professional services" contracts. b6 b7C

[redacted] also indicated that all of the above businesses were always paid early. Meaning that they did not have to wait 3 months plus from the time the invoice was turned in to the accounting department to receive payment. He said that this was due to [redacted] calling down and talking to the accounting personnel and directing them to pay these vendors early. [redacted] said that even after [redacted] was told that there were other vendors in front of them and that there accounts were gathering interest [redacted] still directed them to pay the Chicago based vendors early. b6 b7C

Of additional concern according to [redacted] was an incident in which [redacted] utilized a change order to pay an individual $70,000 to "supervise" the construction of a portion of the Northeast Tower project. He was unable to recall the individuals name but he did remember that the individual was the [redacted] indicated the Director of [redacted] notified him of the incident and he made sure to tell [redacted] to take careful notes. His understanding of the transaction was that [redacted] had told [redacted] to make a change order through the contractor, placing the individual in a consulting type of position, after the RFP process was completed. [redacted] said that this was an extremely highly unusual way to conduct business and felt that b6 b7C

the only reason to do it this way was to keep it hidden. was unable to recall the contractors name as well. b6 b7C

Your affiant interviewed in regards to his employment at UMC while working under explained that prior to taking over the duties, he was and that when took over he was then appointed as the indicated that he had worked for UMC for and that he had served in several over this period of time. He indicated he resigned his position on the same day that resigned and cited several reasons why he did so. b6 b7C

said that he felt lacked a *"sense of fiscal responsibility"*. He attributed this to the fact that came from a heavily subsidized County Hospital and that could always rely on the County to bail him out. He did indicate that during the time he worked with numerous "professional services" contracts were awarded to businesses that brought in from Chicago. said Taylor Consulting, Frasier Systems and Crystal Communications seemed to be the most flagrant. He indicated that personally completed the "professional service" contracts for these companies and that he would often use to assist him as well. said that neither he nor assisted in this regard. indicated that this was definitely unusual as there were established procedures that were required to be followed when dealing with contracts. He also said that would call his accounting directly and tell the personnel to pay these individuals as soon as their invoices were turned in. b6 b7C

As indicated that he should have handled the majority of these transactions since it fell under the operations of However, never allowed in any of the negotiations with the Chicago vendors and at times he felt as if he was actually being intentionally excluded from the meetings. said that numerous times he would not even know of the "professional services" contract being awarded until the actual consultants had arrived at UMC to conduct their interviews felt this more than passing strange. b6 b7C

recalled a conversation that he had with in early 2005 where had told him he had just got back from the St. Thomas Islands. had said that he had visited Superior Consulting's hospital that they were managing and was excited about bringing them aboard to do the same work at UMC. Your Affiant was able to confirm through a border b6 b7C

crossing check on flights that [redacted] did fly to the Caribbean Islands leaving on March 6th, 2005 and returned on March 13th, 2005. [redacted] said he strongly objected to [redacted] on the ACS contract telling him that it was extremely detrimental to UMC and that the hospital could not actually benefit from it by the way it was worded. Not enough due diligence had been put into researching the accounts receivable to set an actual "baseline" to award such a large contract. b6 b7C

[redacted] also told your Affiant that [redacted] had created a position for a friend of his named [redacted] at UMC during the [redacted] placed [redacted] in the newly created position of [redacted] and he transferred from [redacted], Chicago, Illinois, the [redacted] had came from. Additionally, [redacted] said that [redacted] was an absentee employee according to [redacted] who said he saw very little of him during their time together. b6 b7C

[redacted] also indicated that he recalled an incident where [redacted] had ordered a construction company to pay a person $80,000 to do nothing other than supervise the construction of a parking lot [redacted] was not able to remember the persons name but thought that the project was related to the Northeast Tower [redacted] was unable to recall any specific details of the incident other than to tell your Affiant to talk to [redacted] at UMC. b6 b7C

The following businesses were researched by your Affiant to corroborate the information provided by both [redacted] and [redacted]

**CRYSTAL COMMUNICATION:**

In the initial interviews with [redacted] and [redacted] they both mentioned a business called Crystal Communication. [redacted] indicated that Crystal Communication was owned by a friend of [redacted] stated Crystal Communication has been doing work for UMC since the beginning of 2004. Your Affiant is unable to verify this information since the purchase orders and contracts are all kept at UMC, therefore your affiant was only able to get information reference Crystal Communication from 2006 forward. b6 b7C

In the first half of 2006, a request for proposal (RFP) was put out for a telecommunication consulting company for UMC. A RFP packet was created as a result of the bid process. This packet was provided to your Affiant by [redacted] The following information was obtained from the RFP packet.

UMC was looking for a consulting company to assist with telecommunication. Inside the RFP packet is a "scope of service" which outlines the duties of the telecommunication

consulting company. The scope of service includes integration of the Northeast Tower systems into the current system installed at UMC, long answer delay time at the Lied Center, patient pre-paid telephone card program design and implementation, and review of voice communication contracts. The estimated hours required for this contract was 775 hours.

There were two companies that submitted bids for the contract. The first company was Crystal Communications. According to the RFP packet, Crystal Communications Telephone Corporation was founded in [redacted] of the corporation. b6 b7C
Crystal Communications is based out of Chicago Illinois with a business address of 111 W. Washington Street, Suite 1415, Chicago, Illinois 60602. The business is a self described minority business enterprise whose core business is telecommunication, consulting, project management and infrastructure cabling.

[redacted] has Bachelor of Science degree from the Chicago State University. [redacted] and Crystal Communication has done consulting work for John H. Stroger, Jr. Hospital of Cook County. This is [redacted] b6
[redacted] It should also be noted that [redacted] is a graduate from Chicago State University. b7C

Crystal Communication gave a bid for the job of $132,780.00. It also submitted its bid as a Minority Business Enterprise (MBE).

The second business which submitted a bid for the RFP was Network West Telecommunication Consultant Firm whose [redacted] Network West Consulting is a local business with offices in Las Vegas and Reno. Like Crystal Communication, Network West is also a Minority Business Enterprise. Network West submitted a bid for the contract for $96,875.00 which is considerably less than Crystal Communication.

On 07/05/06 an agenda item was submitted to the BCC awarding the contract to Crystal Communication. This agenda item was part of the RFP packet. The reasons cited in the Agenda was that Crystal Communication has experience in medical telecommunication background and "detailed the method, means and techniques it would employ in each of the categories to achieve the objective outlined in the RFP."

On 01/10/07, a business license check was conducted on Crystal Communication. Your Affiant was unable to locate a business license in the City of Las Vegas, Clark County, or the state of Nevada.

As of 10/05/2005 Crystal Communication has received a total of $61,295.49. This figure was derived from an invoice provided by [redacted] It should be noted that the RFP bid process was completed and approved by July of 2006. Crystal Communication has been receiving payments from UMC as of October 2005. To this date not one person interviewed has seen or know of a product output from Crystal Communication. It is unknown what changes, recommendations, or designs have been implemented by Crystal Communication. b6 b7C

FRASIER SYSTEMS GROUP INC:

Another name provided by [redacted] was Frasier Consulting. [redacted] stated Frasier Consulting is owned by an individual who is rumored to be friends with [redacted] described it as another company out of Chicago who does consulting work. During the interview with [redacted] he remembered Frasier Consulting being [redacted] had heard that [redacted] was a consultant to the [redacted] out of Stroger Hospital. [redacted] stated when he worked for UMC as [redacted] he only saw bills from Frasier Consulting and never saw any work output or reports. b6 b7C

A records check of Frasier Systems shows an address of 2021 Brown Ave, Evanston, IL 60201 [redacted] of the company. According to Lexis Nexis, [redacted] shows an address of [redacted] Evanston, IL 60201. A Lexis Nexis check of [redacted] reveals the property is owned by [redacted] date of birth [redacted] It is believed that [redacted] is the [redacted] A records check of Frasier Systems Group Inc through the Illinois Secretary of State web site shows the company was incorporated as of 10/23/2003, and has since been dissolved as of 03/01/2005. A records check through Nevada, Clark County, and Las Vegas business licensing does not list Frasier Systems Group as a licensed business. Your Affiant was unable to locate an active business license for [redacted] in Nevada. b6 b7C

[redacted] has provided your Affiant three separate agenda items. All three are contract agreements between UMC and Frasier System Group Inc. (Frasier Systems). The first agenda item was cleared on 08/03/04. The item is an approval for Frasier Systems to conduct a quick look at UMC information system and evaluate the current information technologies and conduct an analysis on how to improve UMC's system. The agenda item is signed by [redacted] The fiscal impact of the contract is not to exceed $50,400. The cost was budgeted from the Information Services operating funds. b6 b7C

The second agenda item was cleared on 12/07/04. The item is an approval for a contract between UMC and Frasier Systems Group Inc. to implement a project manager office for Information Systems Department (IS). The agenda item was signed by [redacted] The fiscal impact on this contract is not to exceed $286,700. The cost was budgeted from the Information Services operating funds.

The third agenda item was cleared on 02/21/06. The item is an approval for contract between UMC and Frasier Systems Group Inc. to establish a Project Management Office (PMO) for the Information Systems Department (IS) and train the IS staff in PMO protocol and implementation. The agenda item was signed by [redacted] The fiscal impact of this contract is not to exceed $483,600. The cost was budgeted from the Information Services operating funds. A contract was attached to the Agenda Item outlining the agreement between UMC and Frasier Systems. In the contract on page two titled compensation is a subsection titled "Compensation and Expense." in this subsection it list the expense as being $744,120 plus reasonable expenses not to exceed $148,824. The contract was signed by [redacted] b6 b7C

as the Provider and [redacted] as the Hospital. It is unclear why there is a difference between the price listed on the agenda item as opposed to the one listed in the contract. b6 b7C

As of 11/16/2005, Frasier Systems has received an estimated total of $401,119.63. This figure was derived by a vendor statement provided by [redacted] Every person your Affiant has interviewed is unable to recall any actual service provided by Frasier Systems. Detective Whiteley made contact with a source currently working in the financial department of UMC. According to the source, Frasier Systems has been paid a total of $673,268 as of 08/05/2004. Your Affiant believes this source to be reliable due to the position he/she holds at UMC.

**TAYLOR CONSULTING SERVICES:**

[redacted] mentioned another consulting company hired by [redacted] Taylor Consulting. According to [redacted] Taylor Consulting was contracted to consult on the Medicaid eligibility issues. The business is [redacted] out of Chicago Illinois. In a second interview with [redacted] he relayed to your Affiant that [redacted] had a business office built for him at UMC to conduct his consulting work at the direction of [redacted] b6 b7C

Your Affiant was unable to locate a business license for Taylor Consulting in either Illinois or Nevada. The listed business address in the UMC contracts for Taylor Consulting is 20945 Brookwood Dr. Olympia Fields, IL 60461. According to Accurint, this address is a [redacted] A check in Lexis Nexis shows [redacted] was born in [redacted] has lived in Chicago most of his life. According to Lexis Nexis, [redacted] has run several consulting businesses in the past under different names. The only two connections your Affiant was able to find with [redacted] s was geographical and employment status. b6 b7C

[redacted] provided your Affiant three separate Agenda Items concerning Taylor Consulting. The first was cleared for agenda on 11/16/04. The agenda item was to approve a contract between UMC and Taylor Consulting to review financial efforts in patient accounting, billing and collections and third party eligibility for the period of 11/16/2004 to 07/31/2005. The fiscal impact for this contract is $25,000 and is budgeted from Administration Professional Services. The agenda item was signed by [redacted]

The second agenda item was cleared for agenda on 12/20/2005. The agenda item was to approve a contract between UMC and Taylor Consulting to review financial efforts in patient accounting, billing and collections and third party eligibility for the period of 12/13/2005 to 07/31/2006. The fiscal impact for this contract is $25,000 and is budgeted from Administration Professional Services. The Agenda item was again signed by [redacted] b6 b7C

The third agenda item was cleared for agenda on 09/05/06. The agenda item was to approve a contract between UMC and Taylor Consulting to review financial efforts in patient accounting, billing and collections and third party eligibility for the period of 09/01/2006 to 08/31/2008. The fiscal impact for this contract is $94,000 and is budgeted from Administration Professional Services. The Agenda item was signed by [redacted] b6 b7C

A vendor statement was received from [redacted] which list payments made to Taylor Consulting from UMC. From 12/27/2005 to current, Taylor Consulting has received $42,981.43. Not one person interviewed was aware of any services or products provided by Taylor Consulting.

**RISK MANAGEMENT SOLUTIONS:**

During our interview with [redacted] your Affiant learned about another consultant group used by [redacted] The name of the company is Risk Management Solutions. A records check through Lexis Nexis revealed that Risk Management Solutions(RMS), is a company out of Chicago with a business address of 150 S. Wacker Dr. Chicago, IL 60606. RMS is owned by [redacted] A check of the Illinois Secretary of State web site shows that Risk Management Solutions of America Inc. is in fact a corporation in good standing whose [redacted] The web site lists [redacted] address as [redacted] IL 60203. b6 b7C

A packet was provided by [redacted] which outlines the contract and billing between UMC and RMS. A contract was signed on 01/20/2006 which outlines the responsibility of RMS. In the contract is discusses the compensation for services which is $24,000. The contract is for RMS to evaluate the workers compensation program. The contract was signed by both [redacted] for the hospital and [redacted] for RMS.

On 06/19/2006 a bill was submitted to UMC from RMS. The bill, which was submitted by RMS, was broke down into billable hours, travel, and expenses. The bill shows that [redacted] flew out to Las Vegas on 01/16/2006. The three subjects worked a total of 19 hours each throughout the week and then went on a return flight on 01/20/2006. It is believed they flew in from Illinois and returned to Illinois. The total bill submitted was for $22,575. b6 b7C

On 06/19/2006 a check requisition was submitted by [redacted] for UMC to pay RMS. On 06/23/2006 a check was deposited in Bank of America by RMS for 22,575. This information was obtained by a copy of a check provided to your Affiant by [redacted] Your Affiant finds this unusual since it is a documented fact that UMC was three to six months behind in their accounts payable during this time. Your Affiant would further like to express that it is county policy that all professional service contract over $25,000 must be approved by the BCC. b6 b7C

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The contract for RMS is $24,000 which only require the approval of [redacted] Finally, not one person interviewed had first hand knowledge of any services or goods provided by RMS.

**CLARK AND SULLIVAN:**

Your affiant discovered that Clark and Sullivan was awarded the contract for the North East Building and South Wing remodel, bid# 2004-04, late 2004. Your affiant also discovered that [redacted] was [redacted] for this project corroborating both statements of [redacted] and [redacted]

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The project was budgeted for $56,900,000 with $6,595,100 in addition to the bid for equipment and maintenance costs along with a $3,769,625 contingency amount. [redacted] was placed as the construction manager for the project on behalf of Clark and Sullivan.

[redacted]

Your affiant interviewed [redacted] reference his involvement in the North East Building and South Wing remodel [redacted] told your affiant that he during this time he was employed by UMC as [redacted] and that he had worked his way up through the ranks at UMC for the past [redacted] When questioned, [redacted] told your affiant that he recalled the specific incident that [redacted] and [redacted] relayed. He said that in regards to this incident he wanted to make sure that your affiant was well aware of all the work he went through to make sure the project was perfect. He wanted to make sure that there was no sense of impropriety or corruption associated with his project and he took extra steps to ensure this.

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He said that the project went up for an RFP mid 2004. After it was awarded to Clark and Sullivan, under bid # 2004-04, he sent it to two separate peer review committees. [redacted] said he did this to double check his work in order to make sure the project was as good as it could possibly be. After the project passed the peer review committees [redacted] said that Clark and Sullivan assigned [redacted] to manage the project from their end. Shortly after Clark and Sullivan began work on the project [redacted] said that [redacted] had approached him and [redacted] around the end of September, 2004. [redacted] said that [redacted] told he and [redacted] that he was having some serious problems with the project. [redacted] said he asked [redacted] what was at issue and [redacted] explained that there just were not any minority contractors on the project. [redacted] said that he then explained to [redacted] that there were indeed several hispanic sub-contractors that Clark and Sullivan were utilizing. According to [redacted] told him that was not what he meant, he meant that there were no

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black contractors [redacted] said that he told [redacted] the RFP was not listed as requiring any minorities or percentages of minority based business to be included in the bid . Additionally, [redacted] told [redacted] that the RFP was already awarded to Clark and Sullivan and that it had been through two peer review committees [redacted] said that the meeting was then ended. b6 b7C

The next day [redacted] said that [redacted] approached him and told him that he wanted a business known as TBL Construction to be placed as "administrators" over the companies that were to bring in the power to the project and to install the landscaping. [redacted] said that it was common practice to not include items such as bringing in utilities and landscaping in the scope of RFP's and that the contingency fund was designed to allow for these transactions. A change order by the contractor would be necessary to access the contingency funds to pay for these additions. [redacted] indicated that [redacted] directed [redacted] to contact Clark and Sullivan's representative and tell him this was how it was going to happen and that by doing this it would not require approval from the BCC. Additionally [redacted] knew that by completing the change order under the contractors contract, it would in effect help shelter the transaction in the mountain of paperwork often generated on such large transactions. Before [redacted] left the meeting, [redacted] had called TBL Construction and asked for some specific information that [redacted] would need for the contract. After the information was received, [redacted] then left the office. b6 b7C

[redacted] said that he talked with [redacted] about the change order and that they discussed how to complete the transaction and keep a paperwork trail if needed at a later date. [redacted] said [redacted] was immediately upset about the transaction and told [redacted] that he would have to get approval to proceed from his supervisor. [redacted] said that when he heard back from [redacted] it was accepted. [redacted] said that he, [redacted] and [redacted] discussed the transaction and called it for what it was, a "kickback". [redacted] said that in all the years that he worked in the industry he had never seen an occurrence like the one that [redacted] had directed. b6 b7A

[redacted]

Your Affiant interviewed [redacted] reference his involvement in the change order transaction. When asked about the transaction, [redacted] told your affiant that he was wondering when law enforcement would show-up. [redacted] said that he kept every piece of paperwork reference this transaction due to the nature of it and was able to provide all of it to your Affiant. b6 b7C

[redacted] indicated that [redacted] and [redacted] had talked to him during a pre-construction management meeting towards the end of September 2004. During this discussion they told him that [redacted] wanted TBL Construction to "administer" the electrical and landscaping

contractors work. They discussed the best way to complete this transaction and decided that a change order would be necessary and that Clark and Sullivan would need to sign TBL Construction up as a sub-contractor. [redacted] said that [redacted] then brought him a packet of paperwork. The packet contained a G-701 change order signed by [redacted] and detailed it was for "Off-site Nevada Power feed". The paperwork directed [redacted] to appoint TBL Construction as the "Nevada Power Feed Construction Administration" and the agreed upon price was $70,000. [redacted] explained to your Affiant that in effect TBL Construction was to oversee a qualified electrical company's normal course of duties and then get paid for doing, basically nothing. That is why [redacted] termed it a "kickback" to [redacted] and [redacted] he said. Normally the contractor, Clark and Sullivan in this instance directs who they use as sub-contractors not the customer. [redacted] explained that this was important for several reasons, 1) the contractor has much more knowledge and experience with the local businesses and can acquire a reputable and reliable business much faster, 2) it protects the contractor in the case of law suits or other legal actions to be removed from the selection process and 3) it helps to prevent, "kickbacks". b6 b7C

Your Affiant interviewed the [redacted] for UMC, [redacted] in regards to the missing financial statements the BCC had been requesting for the past 6-8 months. b6 b7C

[redacted] told your Affiant that he had been employed with UMC since [redacted] and that he worked as the [redacted] said that his office was responsible for all the day-to-day operations in the [redacted] was the person in charge of the which accounts to prioritize in order to [redacted] in a consistent manner. He mentioned that he reported to [redacted]

[redacted] indicated that while [redacted] he completed monthly financial reports at his direction for the BCC meetings. He did indicate that the County had switched to a new software system that went live in October of 2005. He said that his system made it very difficult to complete financial reports as it was not very compatible to the hospitals accounting system. However, he did concede that it was not impossible to do so, just very time consuming. [redacted] said that he was only asked to complete one financial report by [redacted] and that was for the BCC agenda on December 20th, 2006. At no time after January of 2006, after [redacted] was he told or asked to complete reports. He did say that he continually briefed [redacted] on the hospitals financial status and that he told [redacted] numerous times the hospital was in exceptional bad shape. [redacted] said that the accounts payables(bills) had swollen so much that he did not know if the hospital would even be able to make its payroll obligation. He said that he told [redacted] they had to get some cash fast as the situation was really becoming bleak. b6 b7C

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The financial report he completed fo [redacted] for the agenda item on December 20th, 2006 was truthful as far as the numbers indicated. He said it was a very sanitized and brief statement that would not hur [redacted] and that he prepared the document at the direction of [redacted] He felt that the statement would be of very little help in actually determining the true financial state the hospital was in, but he did as he was told.

Additionally, [redacted] indicated that he was present with [redacted] and [redacted] when they received the audit from Ernst and Young. The audit indicated that the actual loss for 2006 was $34 million dollars. [redacted] said that [redacted] was going to try and say that the ACS accounts receivable numbers were not yet fully collected. He said that [redacted] hoped this would show that if ACS had not completed collecting all the money for the year then the actual $18 million dollar increase was in fact not there. He said that [redacted] was going to try and call this a "paper loss" rather than an actual loss due to the fact that the money was still out there, just not collected yet.

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[redacted] also indicated that [redacted] would direct him to pay the Chicago based vendors ahead of other companies. [redacted] said that no other vendors were paid as fast as Taylor Consulting, Frasier Systems, and Crystal Communications. He said that not only did [redacted] direct him to pay these vendors immediately, but that [redacted] and [redacted] would call him as well to see if the invoices were paid.

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Due to the facts and circumstances your Affaint believes that the items sought will be recovered in the execution of this search warrant and they will show that [redacted] a public official, has used his position to allow several close personal friends and their businesses to benefit financially. It will also show that [redacted] had knowledge of their executive officer's dealings and even assisted in the crimes. [redacted] by meeting with the Chicago vendors and [redacted] by helping to provide false or misleading statements to the BCC through a sanitized financial statement. Additionally, your Affiant feels that by utilizing the resources at the disposal of UMC to "kickback" money to friends and former associates from the Chicago area, [redacted] has fraudulently misappropriated County property as well.

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It is common knowledge that many businesses rely on computers to perform their daily business activities. These activities include sending and receiving e-mails, accounting, information gathering, note keeping, invoicing, purchasing, scheduling and planning. It is believed by your Affiant that information on the computers sought to be searched will show that the businesses and individuals involved are working in collusion to deprive the County of its funds.

Wherefore, your affiant requests that a search warrant and seizure warrant be issued directing a search for and seizure of the aforementioned items at the premises set forth herein.

Wherefore, based on the above stated good cause, your affiant requests that a search and seizure be executed between 7:00 am and 7:00 pm at the aforementioned premises set forth herein.

[redacted]

Detective [redacted] AFFIANT

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**Subscribed and sworn to before me this 12th day of January, 2007.**

Jessie Walsh

**Judge**

[redacted]

**Approved by:**

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/02/2007

Source, who is not in a position to testify, provided the following information:

Source is a [redacted] (Chicago). In the past, Source's friend has cautioned him/her to stay away from ORLANDO G. JONES (JONES). According to Source's friend, JONES has his hands in everything at Cook County hospitals - no one gets contracts there unless JONES gets something. Source's friend has also advised [redacted] reportedly never wanted to get into politics, but after the untimely death of his brother has been forced to. [redacted] is a nice person but also doesn't know what he's doing.

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About a year and a half ago, Source heard Cook County was going to get rid of THE FOSTER GROUP, who was handling the County's IT (Information Technology) Department. THE FOSTER GROUP is a certified MBE with the County and there is a running joke that if a vendor needs an MBE consulting firm, they call THE FOSTER GROUP. THE FOSTER GROUP did not do a good job on the IT Department.

[redacted]

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Investigation on 01/31/2007 at undisclosed b7D

File # [redacted] 194B-CG-126989 ✓ -4 Date dictated n/a

by SA [redacted] jsr b6 b7C

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[redacted] b6 b7C b7D

Source's friend told him about a plan to basically sell the accounts receivable of Cook County's hospitals in bulk to one vendor for hundreds of millions of dollars. The plan could help STROGER try to bail Cook County out of their budget shortfall. Part of the problem is caused by the fact that forty percent of patients seen at County hospitals never receive a bill. [redacted] is reportedly against ACS participating in such a deal.

Source's friend has been predicting for years that [redacted] would be indicted. Source's friend has also been predicting that JONES will eventually be indicted. When JONES left the County, Source heard he was wheeling and dealing and up to no good. Former Board President JOHN STROGER was angry when JONES left the County; the Source heard rumors that JOHN STROGER was overheard shouting at JONES "I gave you everything. How can you leave?" Source also heard JONES was being stupid and careless. Source's friend said [redacted] is finished and is on his own. They only kept [redacted] around for a while to keep him quiet. b6 b7C

All of the 8th Ward heavyweights used to play poker together on Friday nights - JONES, [redacted] and [redacted] b6 b7C

The day the story broke about [redacted] and his contracts in Las Vegas, Source's friend told him/her [redacted] would not have done anything out in Las Vegas without JONES' direction and involvement. Source's friend also said [redacted] doesn't do anything without JONES. According to Source's friend,

[redacted]and all of the Chicago guys he gave consulting contracts to in Las Vegas are 8th Ward guys. Source's friend said they are so stupid. b6 b7C

Source heard either [redacted] is going to be the next Cook County Comptroller. Source said it's the one who worked at the Chicago [redacted]

Source heard that [redacted] Cook County [redacted] is very scared about the ongoing federal hiring investigation and is trying to do the right thing. The people from the 8th Ward think [redacted] has been cooperating from the beginning of the investigation. Further, they don't trust [redacted] either. Source described [redacted] as hardworking. b6 b7C

[redacted] b6 b7C b7D

FD-302 (Rev. 10-6-95)



**FEDERAL BUREAU OF INVESTIGATION**

Date of transcription 02/16/2007

On February 12, 2007, the interviewing agents traveled to [redacted] to interview [redacted] further described as a black male, born [redacted] Social Security number [redacted] After being advised of the identities of the interviewing agents and the purpose of the interview, [redacted] provided the following information: b6 b7C

After [redacted] left the [redacted] and until [redacted] worked as an assistant to [redacted] confirmed his plans to return to work for [redacted] is scheduled [redacted] of this year.

[redacted] received an accounting degree from the [redacted] where he was a member of the Alpha Phi Alpha fraternity. When questioned about other members of the Alpha Phi Alpha fraternity, [redacted] confirmed that [redacted] and [redacted] are all Alpha Phi Alpha fraternity brothers. b6 b7C

[redacted] denied knowledge of any County employees getting "special pay" or "special earnings" at the hospitals. The only discretionary account that [redacted] could recall was the "patient overpay" account, and those monies had to be returned to the patients.

After [redacted] and before he began working for [redacted] he did one consulting project for [redacted] at a hospital [redacted] worked with [redacted] on the consulting project [redacted] formerly worked at John H. Stroger Jr. Hospital, formerly known as Cook County Hospital, in Chicago. [redacted] initially stated [redacted] did not work on the consulting project [redacted] Upon further questioning, however [redacted] stated he was not sure if [redacted] worked with him [redacted] he can't recall. b6 b7C

When questioned about what they did at the hospital [redacted] stated they looked over the hospital's

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Investigation on 02/12/2007 at [redacted] b6 b7C

File # 194B-CG-126989 -5 Date dictated n/a

by SA [redacted] sr JR
SA Mark Peyton

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operations. [redacted] added he had twenty (20) years of hospital experience and he knew how things were supposed to work. [redacted] recalled that the hospital [redacted] was trying to get "certified" so that they could bill Medicaid; [redacted] and the others were trying to help with that.

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[redacted] denied participating in any other consulting projects other than the one [redacted] After that, he started working for [redacted]

When questioned about his political affiliations, [redacted] stated he was a [redacted] in Chicago's 8th Ward. When asked which precinct he [redacted] stated he thinks it was precinct [redacted] When asked what he did as an [redacted] stated he just helped people get out to vote. [redacted] denied participating in any other 8th Ward political activities, stating he may have made voluntary contributions to fund raisers and attended various fund raising events. [redacted] stated there really was not very much to it (being a precinct captain).

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[redacted] does know [redacted] as being part of the 8th Ward organization; however, [redacted] denied any knowledge of hiring irregularities at the County. As far as [redacted] knew, all of the hiring at the County was done legitimately and according to procedures. [redacted] denied knowing anything about people from the 8th Ward receiving County jobs or preferential treatment in exchange for political work.

FD-302 (Rev. 10-6-95)



**FEDERAL BUREAU OF INVESTIGATION**

Date of transcription 03/06/2007

Source, who is not in a position to testify, provided the following information:

Yesterday, the Cook County Board approved an additional $9 million to hire up to twenty-one psychiatrists and psychologists at the Cook County Juvenile Temporary Detention Center (JTDC). The psychiatrists and psychologists are supposedly needed to help ten percent (10%) of the JTDC's population. The same contractor had previously been awarded an $11 million contract. [redacted] was the one who was pushing the County Board to approve the additional $9 million, saying they had to have it for the kids. The company who received the contract promised to recruit psychiatrists and psychologists from outside the area. Source opined there are plenty of psychiatrists and psychologists in the Chicago area, and it would make no sense to look outside Chicago. b6 b7C

The County is in the process of hiring outside auditors to audit County contracts, including the personal service contracts under $25,000 which the [redacted] awarded to her friends. Source opined that the only reason they would be calling for auditors would be to cover up problems. The auditors won't find anything. b6 b7C

ORLANDO JONES (JONES) is affiliated with ACS, the company that is trying to do billing for County hospitals. Source believes JONES owns all or part of an ACS subsidiary. Source described JONES' affiliation with ACS as common knowledge at the County.

Several County Board Commissioners have tried to get current [redacted] fired. The Commissioners are allegedly upset by [redacted] cussing and his "strong arm" tactics with the Commissioners. b6 b7C

[redacted] b7D

Investigation on 03/02/2007 at undisclosed

File # [redacted] 194B-CG-126989 ✓ -6 Date dictated n/a b7D

by SA [redacted] /jsr b6 b7C

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T:\Draft\ [redacted] 052jsr01.lhm b6 b7C

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Chicago, Illinois
February 22, 2007

[redacted]
ORLANDO G. JONES;
ET AL;
CSLPO - LOCAL LEVEL

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This case was opened based on information from the Las Vegas Metropolitan Police Department (LVMPD) regarding their investigation of [redacted] of the University Medical Center (UMC) Hospital in Clark County, Nevada. [redacted] to become UMC's [redacted] Specifically, LVMPD is investigating [redacted] and others in connection with UMC "professional service" contracts he awarded to Chicago area consultants. The consultants allegedly performed little or no work and failed to deliver work product to UMC. The Chicago area consultants include former Cook County employees and contractors with similar professional service contracts with Cook County hospitals.

ORLANDO G. JONES (JONES) appears to be the point man in Chicago for the Chicago area consultants. JONES has held numerous positions within Cook County government, including Chief of Staff to former Cook County Board President JOHN H. STROGER Jr. and CEO of Cook County's Provident Hospital. JONES has also been linked to Chicago's 8th Ward Regular Democratic Organization (8th Ward) and to subjects of two current Chicago public corruption cases, [redacted] (UCFN 194A-CG-121466) and [redacted] (UCFN 194B-CG-124638). Source reporting indicates that JONES continues to exert great influence over Cook County business, including directing the award of contracts to favored companies.

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Chicago has developed a Source who identified [redacted] and the Chicago area consultants as affiliates of the 8th Ward. According to the Source, [redacted] would not have done anything with the consultants in Las Vegas without JONES' direction and involvement. Moreover, LVMPD has evidence that JONES paid for a Carribean vacation for [redacted] and his wife.

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In light of the above information, there is sufficient predication to investigate this matter. Assistant United States Attorney [redacted] was briefed on the predication and opined that [redacted] JONES, and others could be prosecuted for Mail Fraud if additional evidence can be developed.

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JBZ

File 194B-CG-126988

(Rev. 01-31-2003)

# FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE **Date:** 02/22/2007

**To:** Criminal Investigative **Attn:** IIG/Civil Rights Section
Public Corruption Unit

**From:** Chicago
Squad WC-3
**Contact:** SA [redacted] 312-829-[redacted]

**Approved By:** [redacted]

**Drafted By:** [redacted]:jsr

**Case ID #:** 194B-CG-126989 (Pending) -8

**Title:** [redacted]
ORLANDO G. JONES;
ET AL;
CSLPO - LOCAL LEVEL

**Synopsis:** To submit opening Letterhead Memorandum (LHM) for the above-captioned investigation.

**Enclosure(s):** Original and one copy of the opening LHM for the captioned investigation.

**Details:** None.

♦♦

194B-CG-126989-8

T:\Orat[redacted]..[redacted]066jsr02.302 b6 b7C

FD-302 (Rev. 10-6-95)

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**FEDERAL BUREAU OF INVESTIGATION**

Date of transcription 03/08/2007

Source, who is not in a position to testify, provided the following information:

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[redacted]

The current County gossip is the new administration is a mess - they're not up to the task. [redacted] b6 b7C doesn't know what he's doing and is "way out of his league". Everyone is jockeying for position and people are waiting to see who is going to be influential and effective. The name that keeps coming up is [redacted] is the one who came from the Chicago Park District. [redacted] is an older guy with a variety of relationships, which may include the [redacted]

Cook County Commissioner [redacted] avoids all kinds of trouble by simply not involving himself in tough issues.

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[redacted] and [redacted] employee, appears to be on her way out. She has been distributing her resume. Commissioner [redacted] is allegedly [redacted] protection.

[redacted]

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Investigation on 03/07/2007 at undisclosed

File # [redacted] 194B-CG-126989 ✓-9 Date dictated n/a b7D

by SA [redacted] /jsr b6 b7C

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[redacted] b6 b7C b7D

[redacted] portrays himself as a reformer; however, he has a big lobbying firm in Springfield.

[redacted] has his people in very good jobs throughout the County.

[redacted] b6 b7C b7D

[redacted] is the lobbyist for IBM. [redacted] was former Cook County [redacted] Chief of Staff from approximately 1990 through 1994. [redacted] has been around the County for a long time and has many contacts.

[redacted] b6 b7C b7D

[redacted] is a good friend of Cook County [redacted] was former Mayor HAROLD WASHINGTON's [redacted] and she held positions in the DALEY administration and with the Chicago Housing Authority (CHA). [redacted] started a technology firm which she recently sold to MAXIMUS. MAXIMUS is a very large technology firm with offices throughout the country. [redacted] may have subsequently been involved in getting MAXIMUS a contract with [redacted] office. b6 b7C

[redacted] Office [redacted] currently has a request for proposal (RFP) out for a case management system. Source heard [redacted] may put out another RFP for imaging work. Those contracts are big and may be funded by federal grants. [redacted] is odd and she definitely will play games with contracts. It will be very interesting to see who the subcontractors are on those deals. Contracts like that are usually awarded to large established companies like IBM, MAXIMUS, ACS, or EDS. Oftentimes the fraud involves the minority and women business enterprise (MBE and WBE) subcontractors. b6 b7C

[redacted]

FD-302 (Rev. 10-6-95)



**FEDERAL BUREAU OF INVESTIGATION**

Date of transcription 04/03/2007

SOURCE, who is not in a position to testify, contacted the interviewing agent telephonically and provided the following information:

[redacted] b7D

Investigation on 04/02/2007 at Chicago, Illinois (telephonically) b7D

File # [redacted] 194B-CG-126989 -10 Date dictated n/a

by [redacted] b6 b7C

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FD-302 (Rev. 10-6-95)

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/03/2007

Source, who is not in a position to testify, provided the following information:

[redacted]

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Investigation on 04/02/2007 at undisclosed

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File # [redacted] 194B-CG-126989 -11 Date dictated n/a

by SA [redacted]

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FD-302 (Rev. 10-6-95)



**FEDERAL BUREAU OF INVESTIGATION**

Date of transcription 05/25/2007

Source, who is not in a position to testify, provided the following information:

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[redacted]

Investigation on 05/25/2007 at undisclosed

File # [redacted] 194B-CG-126989 ✓-13 Date dictated n/a

b7D

by SA [redacted]

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FD-302 (Rev. 10-6-95)



**FEDERAL BUREAU OF INVESTIGATION**

Date of transcription 05/04/2007

SOURCE, who is not in a position to testify, telephonically contacted the undersigned agent and provided the following information:

SOURCE heard from a friend that on Wednesday, May 2, 2007, [redacted] and [redacted] traveled to Las Vegas to go golfing with [redacted] (former director of the [redacted].

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Investigation on 05/03/2007 at Chicago, Illinois (telephonically) b7D

File # 194B-CG-124638; 194B-CG-126989; [redacted] Date dictated n/a

by [redacted] b6 b7C

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T:\Drafts\ ... [redacted] 197J5-01.CHS

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# FEDERAL BUREAU OF INVESTIGATION

**Confidential Human Source (CHS) Reporting Document**

**Reporting Date:** 08/06/2007

**Case ID #:** 194B-CG-126989 (Pending) -14
[redacted] (Pending) -A-10

b7D

**Contact Date:** 07/16/2007

**Type of Contact:** in person

**Location:** Chicago, Illinois, USA

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**Writer:** SA [redacted]
**Witness(es):** N/A

**Source Reporting:**

Source, who is not in a position to testify, provided the following information:

[redacted] claimed to have played poker with [redacted] [Illinois [redacted] and ORLANDO JONES. [redacted]

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[redacted]

194B-CG-126989-14

Many of the new information technology contracts with Cook County will go through [redacted] and [redacted] and [redacted] will then take them to [redacted]

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Cook County Recorder of Deeds EUGENE MOORE lost his Democratic Committeeman position to [State Representative] KAREN YARBOROUGH about one year ago. MOORE is desperate to raise money for his next campaign.

♦♦

FD-302 (Rev. 10-6-95)



**FEDERAL BUREAU OF INVESTIGATION**

Date of transcription 05/24/2007

[redacted] a white male born [redacted] Social Security number [redacted] currently residing at [redacted] Niles, Illinois 60714, home telephone [redacted] cellular telephone [redacted] was interviewed at his residence. [redacted] who was familiar with the interviewing agents, provided the following information: b6 b7C

All Cook County purchases and contracts are initiated by the using departments. The request goes to the department head, who then forwards it to the head of the hospital or the purchasing agent. The hospitals have their own purchasing and materials management people.

One of the abuses involves the practice of being able to pay vendors up to $24,999.99 (under $25,000) over the contract award amount without Board approval. In some contracts, there may be a hundred line items and ten vendors. In the past, they could pay each of the ten vendors up to $25,000 over their contract award amount without Board approval, ending up in an overrun of $250,000. Now, they can only go up to $25,000 over the total contract award amount without Board approval.

In the past, the Comptroller's Office would pay bills even when they exceeded the County's budget. When [redacted] came in as the new Comptroller, she said they would not go over the budgeted amounts any more.

[redacted] used to be second in command of purchasing for the [redacted] Office. Before that, [redacted] was a laborer at the Cook County Forest Preserve District (CCFPD) making around $17,000 per year. At the [redacted] Office, [redacted] was probably making $60,000 per year. [redacted] opined that [redacted] had a serious "candy" [cocaine] problem. [redacted] was always doing emergency contracts for such services as snowplowing. b6 b7C

The purchasing process began when departments generated requisitions. The requisitions were generated in the County's J.D. Edwards computer system. The department's requisition number identified the year and using department. Later the requisition was assigned an MIS requisition number and eventually a purchase order number.

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Investigation on 05/22/2007 at Niles, Illinois

File # 194B-CG-126989-15 92L-CG-124922-115 Date dictated n/a

by SA [redacted] /jsr b6 b7C

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Purchases under $25,000 did not require formal contracts or County Board approval, while purchases over $25,000 did require formal contracts and County Board approval.

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Supposedly, former [redacted] would approve purchase requests from County Commissioners even if they were over $25,000. The Commissioners could be purchasing things for their own offices or for the County. For example, the Commissioners would request consulting contracts. [redacted] recalled that former [redacted] hired a consultant for $24,000 for three months. At the end of the first three months, [redacted] gave the consultant another $24,000 for three more months, and this was done without Board approval.

[redacted] got a $1.25 million consulting contract with CCFPD. She recommended cuts in CCFPD management; however, her recommendations were ignored and they cut laborers instead.

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ORLANDO JONES (ORLANDO) got a large consulting contract to advise the County about what they should do with the old Cook County Hospital building. [redacted] opined that was probably no-bid. ORLANDO has made a lot of money from the County for basically doing nothing.

For purchases under $750, departments could use their petty cash if they had it. Purchases over $750 and under $25,000 were considered "open market". The department's requisition would be turned into requests for quotes from three, five, or ten vendors, for example. There was no specified number of vendor quotes that had to be obtained. The County's three percent residency rules and Minority Business Enterprise (MBE) rules did not apply to "open market" purchases. It was very simple - the low bidders won. [redacted] added there were very few change orders to "open market" purchases.

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[redacted] and [redacted] assigned all of the medical requisitions that Purchasing received from the departments. The "open markets" were assigned to buyers and the contracts were assigned to specification engineers. [redacted] assigned all of the non-medical requisitions.

[redacted] handled the [redacted] "open markets". [redacted] was very tight with [redacted] did a lot of the change orders and purchase orders. Purchase orders would be applied against the appropriate contract for payment.

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[redacted] and [redacted] handled the [redacted] contracts. [redacted] used to complain that [redacted] was not fair in how he assigned contracts; [redacted] would end up with fifteen contracts to handle versus one or two non-[redacted] contracts assigned to other people. [redacted] would also be assigned extra work to help others catch up.

The contracts are really controlled by the Office of Contract Compliance because they have final approval. Contract Compliance can disapprove contracts because of MBE non-compliance, they can say bids are not compliant with the contract specifications, or they can simply say bids are "non-responsive". If a bid is not correctly filled out, Contract Compliance will just toss it; they will not ask for the bidder to correct any mistakes.

The departments draft their own contracts, the specification engineers in Purchasing review them, and Contract Compliance has to give the final approval.

Most MBEs are fronts and everyone knows it. [redacted] described the MBEs as "middlemen and drop shippers". [redacted] is supposed to check compliance. [redacted] in Contract Compliance was clearly dirty. [redacted] stated he formed that impression of [redacted] just from being around him.

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[redacted] opined that vacations and furniture would seem to be the only ways to get kickbacks from vendors.

ORLANDO JONES had his hands in a lot of things. He has always been good to [redacted] though, and [redacted] likes him.

County Clerk [redacted] did not play games. He [redacted] was a real "stickler" and is non-political. ORR handles the ethics statements for County employees and the declarations of secondary employment.

Even though there were no specific number of bids that [redacted] needed, he would generally send out at least six requests for quotations. If the contract would be closer to $25,000 in value, he would generally send out more than six. The requests for

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quotations were forms generated by the J.D. Edwards system and were based on the departments' requisitions. Bidders were given three weeks to respond. The completed quotes would generally be mailed back to Purchasing and the bookkeeping people would sort the mail and put the quotes in the bid box. [redacted] tried not to look at the quotes until the closing; however, sometimes quotes were faxed in and he would accept them. [redacted] didn't like to see faxed quotes before the closing because he felt it looked bad. At 10:00 a.m. on the closing date, [redacted] would gather the quotes from the bid box, open them, and tabulate them. Comparable products or better products were generally acceptable. If the product was different, [redacted] would forward the quote to the department for consideration.

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The "open markets" could be manipulated by writing the specifications for one particular vendor.

Vendors' representatives would always be visiting the department heads and doctors at the hospital to make them aware of their products. The requisitions would typically include a list of three to five possible vendors who could provide quotations. Purchasing may send out requests for quotations to those vendors as well as other vendors. SAMI DISTRIBUTORS (ph) is a newer distributor who seems to bid on everything.

Similarly, the specification engineers send out requests for proposals and invitations to bid for contracts. For big contracts, the vendors are usually present when the bids are opened. The specification engineers keep lists of vendors and the invitations to bid go out to a lot more vendors than the requests for quotations. At times, they may send out over sixty (60) request for proposal packets. The County is in the process of taking this process on-line.

There is no bidding on sole source contracts. [redacted] suspected there might be other contracts that did not go out for bid like they should have. However, these contracts would still be in the J.D. Edwards program; you cannot cut a purchase order at the County without going through the J.D. Edwards program.

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[redacted] usually handled the contracts for [redacted] inventory. The pharmaceutical contract went out last year when [redacted] was on vacation. That contract was in the millions and [redacted] handled it; it was pushed through very fast. [redacted] felt that they had waited until [redacted] was off to put it through. [redacted] had the contract and it was awarded to another company.

[redacted] couldn't believe it and they have since sued the County over it. b6 b7C

[redacted] holds monthly staff meetings. She recently announced that there will be no more "sole source" contracts issued. [redacted] thinks she abolished them because "sole source" vendors do not have to comply with the County's MBE requirements. [redacted] and Commissioner [redacted] are the ones actually running the County. [redacted] is trying to prohibit any union contracts because the unions are backing his opposition on the County Board.

There are also no-bid contracts that can be done if there is an emergency or special circumstances. The recent janitorial contract given to WE CLEAN MAINTENANCE is an example of a no-bid contract. Those contracts are not subject to anything and can easily be abused. [redacted] believes somewhere there may be a list of all of the County's no-bid contracts. They are all in J.D. Edwards but are not coded uniquely.

[redacted] has a problem with alcohol. b6 b7C

[redacted] is a big talker but is straight-forward; his family owns a newspaper.

[redacted] knew everything that went on. [redacted] left because he had a [redacted] in the office. He was supposed to come back as a consultant. [redacted] was under a lot of pressure. As the County's [redacted] could be sued personally.

[redacted] former secretary [redacted] also knows a lot. [redacted] typed all of [redacted] letters. [redacted] is now working for [redacted] however, the rumor is that [redacted] LNU (Last Name Unknown, possibly [redacted] will be replacing [redacted] It seems that [redacted] is being groomed for the job. [redacted] opined that [redacted] will likely be transferred, demoted or let go. b6 b7C

The County used to have a requirement that its employees had to be current in their child support payments. [redacted] had not paid any child support for years but was allowed to continue working due to his connection to the [redacted] [redacted] thinks that [redacted] is now current in his child support payments. b6 b7C

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Something happened with [redacted] quit his $70,000 job at CCFPD. [redacted] was with [redacted]

All of the purchasing documents for the last one or two years are located in a back file room area of Purchasing. The documents should include all purchase orders and change orders. Anything older than that is moved to storage.

[redacted] was [redacted] "right hand man". [redacted] would do anything for [redacted] and he was Purchasing's J.D. Edwards expert.

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Administrative Assistant [redacted] was recently fired. [redacted] was affiliated with Cook County Commissioner [redacted] and [redacted] is a sergeant or commander with the Chicago Police Department. [redacted] worked on a lot of sole source contracts. [redacted] was very upset with [redacted]

[redacted] handled a lot of easy contracts, and he still had trouble doing those right.

FNU (First Name Unknown) [redacted] is the head of materials management at [redacted] [redacted] always thought [redacted] seemed dirty. [redacted] is [redacted] assistant.

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The Cook County Commissioners steer a lot of contracts to friends and family. When asked which Commissioners would do that, [redacted] opined that Commissioner [redacted] would be one.

[redacted] opined that political contributions are important in getting County contracts.

At one point, Contract Compliance complained that minority owned companies were not getting enough of the "open markets". They looked into it and said half of the requests for quotations should be sent to minority companies; however, nothing really changed.

PROGRESSIVE INDUSTRIES has cut back on the number of bids it puts in because the County is slow to pay. The company seems to be ok, but [redacted] did not know if it was actually a legitimate WBE.

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[redacted] recalled that the Medical Examiner's Office did not want to work with a particular vendor who did body pick ups. [redacted] thought the vendor was DURANTE FUNERAL HOME. When the contract went out for bid, that vendor was the low bidder; however, the contract was put on hold because that vendor had done such a bad job in the past. It is allowable for a bid to be awarded to other than the low bidder if justification is provided.

[redacted] works for the City of Chicago now. [redacted] son works in the [redacted] was like a "god son" to (former Board President) JOHN STROGER. [redacted] was close to [redacted] when they were at CCFPD together. [redacted] a used Mercedes automobile and the motor blew on it [redacted] auto dealership on Roosevelt Road called something like "Sunshine". [redacted] had a lot of authority at CCFPD. [redacted] recalled that [redacted] used to loan [redacted] money to buy cars. [redacted] gave a lot of cash contributions to STROGER.

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[redacted] was real dirty, probably the worst one at CCFPD. [redacted] has been fired from at least two County jobs and one State job for stealing gasoline. He is a [redacted]

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/13/2007

[redacted] employer: CONTINENTAL-AERO, work address: 5709 West Howard, Niles, Illinois 60714, telephone number: [redacted] e-mail address: [redacted] was advised of the identity of the interviewing Agent and the purpose of the interview. She then provided the following information: b6 b7C

[redacted] was aware that [redacted] had been subleasing from CONTINENTAL-AERO since before [redacted] began working at CONTINENTAL-AERO seventeen years ago. [redacted] operated a business known as ADVANCED MANAGEMENT SERVICES (AMS) in a small office space within the CONTINENTAL-AERO offices.

AMS's main business was computer distribution and consulting, but [redacted] diversified into other areas as well. CONTINENTAL-AERO's warehouse staff unloaded trucks for AMS, and one large shipment was full of bulletproof vests.

[redacted] never trusted [redacted] He had five or six cars parked in the CONTINENTAL-AERO parking lot within the office park. The cars had license plates from Ohio, where [redacted] stated he had family. Two of the cars had the same license plates on it, as if he had taken a single set of license plates (front and back) and placed them on the back of two separate cars. He also had a camper parked in the lot where he would apparently have sex with his girlfriend [redacted] on occasion. b6 b7C

One of the cars that sat in the lot was a FORD Merkur that [redacted] tried to sell to a CONTINENTAL-AERO warehouse worker. [redacted] is a bit of a car enthusiast, so she made some calls on behalf of the warehouse worker to learn that the FORD Merkur was a "one-shot" car produced by FORD MOTOR COMPANY, and it was impossible to get parts for this discontinued vehicle. The warehouse guy did not buy the car on [redacted] advice, and [redacted] stopped talking to [redacted] felt that [redacted] was taking advantage of the warehouse worker, and she began to regard [redacted] as a shady individual. b6 b7C

[redacted] was in his late fifties or early sixties and had a girlfriend named [redacted] Last Name Unknown) who had an older daughter in her twenties. [redacted] had a son named [redacted] who also went by the nickname of [redacted] who was a cordial, nice guy in his twenties.

Investigation on 09/12/2007 at Niles, Illinois b6 b7C

File # 194B-CG-126989 -17 Date dictated 09/13/2007

by SA [redacted] JR:mkc

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256 MKC 07, 302

b6
b7C

[redacted] stored old computers and used keyboards in his office space. [redacted] never saw any customers come to the AMS offices. [redacted] always assumed that [redacted] was on the road selling since he was rarely in his own office. [redacted] was a sharp dresser who drove a JAGUAR even though he had many old beater cars rotting in the parking lot.

[redacted] got the impression that [redacted] and [redacted] had been together for a long time. She worked with [redacted] within the small AMS offices. [redacted] and [redacted] were the only apparent employees of AMS.

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[redacted] has never heard of an individual named [redacted] nor did such an individual ever occupy the AMS office space as an employee or worker.

The small AMS office space was a total mess with papers stacked everywhere. The office was never cleaned and no one apparently ever did any filing.

AMS had its own phone line that was not routed through the CONTINENTAL-AERO system. CONTINENTAL-AERO would occasionally use the AMS photocopy machine when their own machine was broken. In return, AMS would frequently borrow reams of paper from CONTINENTAL-AERO as [redacted] always seemed to be doing a lot of photocopying.

The interviewing Agent showed [redacted] a photograph of [redacted] Date of Birth (DOB): [redacted] [redacted] stated that this photograph looked like [redacted], aka [redacted] but the individual in the photograph appeared to have gained weight since the time that [redacted] was acquainted with [redacted]

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FD-302 (Rev. 10-6-95)



**FEDERAL BUREAU OF INVESTIGATION**

Date of transcription 09/11/2007

ORLANDO G. JONES, a black male born June 6, 1955, was contacted at his residence, 5 East 14th Street, Unit 905, Chicago, Illinois. JONES was advised of the identities of the interviewing agents and asked if he would answer questions regarding his business dealings with [redacted] in Las Vegas. JONES said that he would answer questions with his attorney present and provided the name of [redacted] of Chicago as his attorney. The interview was then terminated.

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t: [redacted] 262 em 01. 302.

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b7C

Investigation on 09/07/2007 at Chicago, Illinois

File # 194B-CG-126989 -18 Date dictated n/a

by [redacted] em

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FD-302 (Rev. 10-6-95)



**FEDERAL BUREAU OF INVESTIGATION**

Date of transcription 09/17/2007

As a result of a request by the BERRIEN COUNTY SHERIFF'S Department (BCSD), Special Agents of the Federal Bureau of Investigation (FBI) assigned to the Chicago Division Evidence Response Team (ERT), responded to a secluded area near the edge of the Gowdy Shores Beach, Union Pier, Michigan.

A preliminary survey of a clearing near the edge of the beach revealed the body of a black male later identified as ORLANDO G. JONES of Cook County Illinois. A further survey of the body revealed a revolver located in the right hand and a cellular type device located in the left hand.

With the assistance of members of the Chicago ERT, BCSD Deputy Sheriff/Crime Scene Technician [redacted] telephone number 269/983-[redacted], processed the scene for evidence. The following Special Agent personnel participated in the search:

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[redacted] - Search Team Leader/Photographer
- Log Keeper/Search
- Search
- Search
- Search
- Search

A photograph log was maintained for all photographs taken during the search. A copy of the photograph log is attached and made part of this report.

The following reflects approximate times and events that occurred during the search:

| TIME | EVENT |
|---|---|
| 9:24 p.m. | SA [redacted] arrives at the scene and assumes control from the BCSD which had secured the scene; |

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Investigation on 09/12/2007 at Union Pier, MI

File # 194B-CG-126989 -19 Date dictated N/A

by SA [redacted] gdf

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

| | TIME | EVENT |
|---|---|---|
| | 9:50 p.m. | SA [redacted] conducts preliminary survey of the area and location of the body with BCSD Sergeant [redacted] |
| | 10:58 p.m. | SA [redacted] SA [redacted] and BCSD Deputy Sheriff/Crime Scene Technician [redacted] conduct survey of the area in preparation for processing; |
| | 11:30 p.m. | Began processing the area for evidence; |
| 9/13/07 | 1:00 a.m | Body placed on clean white sheet and placed in body bag; |
| | 1:27 a.m. | Body removed from scene and transported to the LAKELAND HOSPITAL morgue located in St. Joseph, Michigan by MEDIC ONE Ambulance Service; |
| | 1:51 a.m. | Search complete, Exit Area. |

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# UNITED STATES DEPARTMENT OF JUSTICE
# FEDERAL BUREAU OF INVESTIGATION
# **PHOTOGRAPHIC LOG**

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b7C

CASE: 194B-CG-126989
DATE OF PHOTOS: 09/12-13/2007
LOCATION: Beach clearing on the edge of the Gowdy Shores Beach
Union Pier, Michigan

PHOTOGRAPHER: SA [redacted]
LOG KEEPER: SA [redacted]
CAMERA/FILM: Nikon N90
Roll: 1

| PHOTO | DESCRIPTION | SCALE |
|---|---|---|
| 1 | Cover sheet | |
| 2 | Street signs - Smith Road & Lake View Avenue | |
| 3 | Entrance to pathway | |
| 4 | Pathway | |
| 5 | Pathway | |
| 6 | Pathway | |
| 7 | Top of stairwell leading to beach | |
| 8 | Gowdy Shores Homeowner Association Beach Sign | |
| 9 | Top half of stairwell leading to beach | |
| 10 | Bottom half of stairwell leading toward beach | |
| 11 | Cigar and wrapper, bottom of stairs - second step up | |
| 12 | Close-up of cigar and wrapper | |
| 13 | West toward beach | |
| 14 | Side path/clearing east of beach entrance | |
| 15 | Side path/clearing east of beach entrance and body | |
| 16 | Top half of body/Keep off of dunes sign | |
| 17 | Body-overall | |
| 18 | Body-overall | |
| 19 | Body-overall | |
| 20 | Body-overall | |
| 21 | Close-up of face | |
| 22 | Right hand with revolver - close-up | |
| 23 | Left hand with cellular type device | |
| 24 | Verizon/Motorola cellular device removed from left hand | |
| 25 | Verizon/Motorola cellular device removed from left hand - Close-up | |
| 26 | Verizon/Motorola cellular device removed from left hand - rear side close-up | |
| 27 | Right hand and revolver with item 3 Placard | |
| 28 | Keys removed from right jacket pocket - Item 4 Placard | |
| 29 | Sock with green stripes removed from right jacket pocket - Item 5 | |
| 30 | Contents of right front pants pocket - Item 6 | |
| 31 | Gum from inside right breast jacket pocket - Item 7 | |
| 32 | Close-up of revolver | |
| 33 | Close-up of revolver | |
| 34 | Close-up of serial number(008518) on butt of revolver | |
| 35 | Close-up of serial number(008518) on butt of revolver | |
| 36 | END OF ROLL | |

# UNITED STATES DEPARTMENT OF JUSTICE
# FEDERAL BUREAU OF INVESTIGATION
# **PHOTOGRAPHIC LOG**

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b7C

CASE: 194B-CG-126989
DATE OF PHOTOS: 09/12-13/2007
LOCATION: Beach clearing on the edge of the Gowdy Shores Beach
Union Pier, Michigan

PHOTOGRAPHER: SA [redacted]
LOG KEEPER: SA [redacted]
CAMERA/FILM: Nikon N90
Roll: 2

| PHOTO | DESCRIPTION | SCALE |
|---|---|---|
| 1 | Cover sheet | |
| 2 | Close-up of revolver | |
| 3 | Close-up of revolver | |
| 4 | Close-up of revolver handle emblem | |
| 5 | Close-up of barrel | |
| 6 | Close-up of barrel | |
| 7 | Upper half of back of body | |
| 8 | Upper half of back of body | |
| 9 | Close-up of back of head | |
| 10 | END OF ROLL | |
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# UNITED STATES DEPARTMENT OF JUSTICE
# FEDERAL BUREAU OF INVESTIGATION
# **PHOTOGRAPHIC LOG**

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b7C

CASE: 194B-CG-126989
DATE OF PHOTOS: 09/12-13/2007
LOCATION: Beach clearing on the edge of the Gowdy Shores Beach
Union Pier, Michigan

PHOTOGRAPHER: SA [redacted]
LOG KEEPER: SA [redacted]
CAMERA/FILM: Nikon N90
Roll: 3

| PHOTO | DESCRIPTION | SCALE |
|---|---|---|
| 1 | Cover sheet | |
| 2 | Back of Head | |
| 3 | Back of head | |
| 4 | Scene - body removed | |
| 5 | Scene - body removed | |
| 6 | END OF ROLL | |
| 7 | | |
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(Rev. 01-31-2003)

# FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE **Date:** 10/09/2007

**To:** Chicago ✓

**From:** Chicago
Squad WC-3
**Contact:** SA [redacted] 312-829-[redacted] b6 b7C

**Approved By:** [redacted]

**Drafted By:** [redacted] jsr

**Case ID #:** ~~194B-CG-126989~~ (Pending) - 24

**Title:** [redacted]
ORLANDO G. JONES;
ET AL;
CSLPO - LOCAL LEVEL

**Synopsis:** Request to open Grand Jury sub file.

**Details:** It is requested that the following sub file be opened for Grand Jury materials relating to the captioned case:

194B-CG-126989 sub GJ

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please open
10-10-07

CE 10/10/07

194B-CG-126989 - 24

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.
194B-CG-126989 -25

Chicago, Illinois
November 13, 2007

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[redacted]
ORLANDO G. JONES (DECEASED);
CSLPO - LOCAL LEVEL

The above-captioned case was predicated in February, 2007, based on information received from the Las Vegas Metropolitan Police Department (LVMPD) regarding [redacted] In short, LVMPD was investigating [redacted] in his capacity as the [redacted] of the University Medical Center Hospital (UMC Hospital) in Clark County, Nevada. [redacted] Specifically, LVMPD was investigating [redacted] and others in connection with several no-bid "professional service" contracts which UMC Hospital awarded to Chicago area consultants who allegedly did little or no consulting work and failed to provide deliverables. Chicago identified similar "professional service" contracts which [redacted] previously awarded to the same Chicago area consultants.

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As part of the above-captioned investigation, Chicago agents traveled to Las Vegas and Las Vegas agents and LVMPD investigators traveled to Chicago to conduct interviews and review evidence. As a result, Orlando Jones became the focus of the investigation, along with [redacted] Jones previously held several positions within Cook County government, including Chief of Staff to former Cook County Board President John H. Stroger, Jr. and CEO of Cook County's Provident Hospital. Jones had also been linked to two other Public Corruption investigations [redacted] 194A-CG-121466 and [redacted] 194B-CG-124638) and Source reporting indicated Jones exerted great influence over Cook County business, including directing the award of contracts to favored companies.

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The theory of the above-captioned investigation was that [redacted] and Jones orchestrated UMC Hospital's awards of no-bid "professional service" contracts to the Chicago area consultants, with Jones providing [redacted] kickbacks in the form of (1) consulting fees paid by Jones' Chicago clients to [redacted] wife; (2) profits from a Chicago real estate development project;

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b7C

and (3) a Carribean vacation. Chicago also focused on Jones' involvement in Cook County contracts.

On September 7, 2007, Chicago agents attempted to interview Jones at his residence in Chicago. Jones refused to answer questions without his attorney.

On September 12, 2007, Jones committed suicide on a beach in Michigan, not far from Chicago. Chicago agents responded to the crime (suicide) scene to assist local law enforcement. Jones left a suicide note in his Chicago residence which referenced the above-captioned investigation.

LVMPD is pursuing criminal charges against [redacted] and others in Clark County, Nevada. LVMPD has advised that no further assistance is needed from Chicago at this time. b6 b7C

On November 6, 2007, Assistant United States Attorney (AUSA) [redacted] was briefed on the above information. AUSA [redacted] concurred that no further investigation is warranted and his office declines further prosecution of this matter.

T:\Drafts\... [redacted] 317_jsr01.ec b6 b7C

(Rev. 06-04-2007)

# FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE **Date:** 11/13/2007

**To:** Criminal Investigative ✓ **Attn:** Public Corruption Unit

**From:** Chicago
Squad WC-3
**Contact:** SA [redacted] [redacted]

**Approved By:** [redacted] b6 b7C

**Drafted By:** [redacted] S:jsr

**Case ID #:** 194B-CG-126989 (Closed) -26

**Title:** [redacted]
ORLANDO G. JONES (DECEASED);
ET AL;
CSLPO - LOCAL LEVEL

**Synopsis:** To submit closing LHM for the above-captioned case.

**Enclosure(s):** Original and one copy of the closing LHM for the above-captioned case.

**Details:** Enclosed for FBIHQ are the original and one copy of the closing LHM for the above-captioned case. A copy of the same has been disseminated locally to the United States Attorney's Office for the Northern District of Illinois.

♦♦

Close #6 11-14-07 12/1/07

194B-CG-126989-26

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

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Page 59 ~ b6, b7C, b7D